

SENT VIA EMAIL

March 7, 2012

Nancy Ostrowski
Senior Business Representative
IFPTE, Local 21
4 N. Second Street, Suite 430
San Jose, CA 95113

Dale Dapp
President
AMSP, IFPTE Local 21
c/o DOT
200 E. Santa Clara Street
San Jose, CA 95113

John Mukhar
President
AEA, IFPTE Local 21
c/o ESD
700 Los Esteros Road
San Jose, CA 95134

Cay Denise MacKenzie
President
CAMP, IFPTE Local 21
c/o OES
855 N. San Pedro, Room 404
San Jose, CA 95110

RE: Sick Leave Payout

Dear Nancy, Dale, John and Cay Denise:

As you know, we reached an agreement on March 23, 2011, for successor agreements with AEA, AMSP and CAMP (hereafter as IFPTE Local 21). These agreements included a side letter to continue the meet and confer process on the issue of sick leave payout. Since September 2011, we sent you several letters regarding the City's interest in commencing these negotiations, including proposals related to sick leave payout on September 30, 2011, and December 7, 2011. The City has made itself available to meet and confer with IFPTE Local 21 on the issue of sick leave payout; however, IFPTE Local 21 did not provide its availability to meet on this issue.

The City provided proposals to IFPTE Local 21 on September 30th and December 7th. To date, the only proposal from IFPTE Local 21, related to sick leave payout is to eliminate the benefit for current and new employees and reduce sick leave payouts by 10% for current employees who opt into a lower pension benefit level, and this counter proposal was included as part of your retirement reform proposal dated March 2, 2012.

Since no agreement has been reached on this issue and given the divergent positions of the City and the IFPTE local 21, the parties have thus reached impasse on sick leave payout.

Since the parties are now at impasse, the City is amenable to participating in mediation. The City intends to schedule mediation sessions utilizing the State Mediation and Conciliation Service during the month of March 2012. If IFPTE Local 21 is interested in participating in mediation, please notify me no later than March 12, 2012, by 5:00 p.m. and provide your availability for mediation during the month of March 2012. If you fail to do so, we will assume that you intend to waive mediation.

Sincerely,

A handwritten signature in black ink, appearing to read 'G. Donnelly', with a stylized, flowing script.

Gina Donnelly
Deputy Director of Employee Relations

c: Alex Gurza, Deputy City Manager